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FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Observer Mission in El Salvador (ONUSAL) (A/48/842/Add.1 and Corr.1). During the course of its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information to the Committee.

2. Paragraphs 1 to 26 of the Secretary-General's report provide the standard information regarding, inter alia, the mandate and activities of ONUSAL, the status of assessed and voluntary contributions, cost estimate for the period from 1 June to 30 November 1994 and for the liquidation of the Mission and the disposition of the assets of ONUSAL, and the observations of the Secretary-General.

3. In section VIII, paragraph 27, of his report, the Secretary-General, in connection with the financing of ONUSAL, requests the General Assembly:

(a) To appropriate the amount of $12,370,600 gross ($11,132,200 net) covering the operation of ONUSAL for the period from 1 June to 30 November 1994, inclusive of the amount of $3,895,900 gross ($3,612,300 net) authorized by the General Assembly in its resolution 48/243 of 5 April 1994, and the amount of $4,876,500 gross ($4,240,600 net), provided under the terms of Assembly resolution 48/229 of 23 December 1994 on unforeseen and extraordinary expenses for the biennium 1994-1995;

(b) To assess the amount of $12,370,600 gross ($11,132,200 net) covering the operation of ONUSAL for the period from 1 June to 30 November 1994;

(c) To authorize $2,698,000 gross ($2,535,300 net) for the liquidation of the Observer Mission for the period from 1 December 1994 to 28 February 1995 and to make the appropriate assessment therefor.

4. The Advisory Committee notes from paragraph 7 of the Secretary-General's report that an amount of $189,546,731 was apportioned among Member States, against which payments of $156,063,638 have been received as of 30 June 1994, leaving an outstanding balance of $33,483,093 due from Member States. The Committee notes that in order to provide ONUSAL with the necessary cash, $6 million has been borrowed from the Peace-keeping Reserve Fund and $3 million from the United Nations Iran-Iraq Military Observer Group (UNIIMOG) special account (see para. 8 of the Secretary-General's report). As it has in the past, the Advisory Committee expresses its concern about the use of the peace-keeping reserve fund for cash requirements of ongoing missions. The Advisory Committee was informed, and is concerned, that to date a further $300,000 has been borrowed from the United Nations Transitional Authority in Cambodia (UNTAC), where obligations still remain to be liquidated. The Advisory Committee trusts that every effort will be made to impress upon Member States the precarious financial situation of ONUSAL and to seek payment of the outstanding amounts from Member States as quickly as possible.

5. In paragraph 2 of his report, the Secretary-General recalls that he informed the Security Council in his report of 11 May 1994 (S/1994/561) that there were serious shortcomings in the implementation of the peace accords related to "delays in the areas of public security, the land-transfer programmes, aspects of the reintegration of ex-combatants into civil society, as well as non-compliance with the recommendations of the Commission on the Truth". The same point is reiterated in paragraphs 10, 11 and 27 of the Secretary-General's report (S/1994/1000) to the Security Council of 26 August 1994.

6. During its consideration of the Secretary-General's report on the financing of ONUSAL (A/48/842/Add.1 and Corr.1), the Advisory Committee was informed that there has been a public manifestation by the parties concerned in El Salvador of a desire to extend the Mission. The Committee was further informed that the Secretary-General will report to the Security Council on a possible extension of the mandate beyond 30 November 1994 and that, based upon whatever action the Security Council decides to take, the Secretary-General will report again to the General Assembly. The Advisory Committee understands that the Controller informed the Fifth Committee at its second meeting of a possible extension of the mandate. Moreover, the Controller has indicated to the Advisory Committee that under the circumstances, the consideration of cost estimates for the liquidation could be deferred. Accordingly, the Committee recommends that consideration of the cost estimates for the liquidation be deferred (see para. 22 below).

7. The Advisory Committee notes that there is no performance report for the period from 1 December 1993 to 31 May 1994. Upon inquiry, the Committee was informed that the financial performance report for that period will be provided at the beginning of October 1994, i.e., more than four months after the end of the mandate period. The Committee expresses its concern over the repetition of this situation, which it has experienced with regard to several other peace-keeping operations. The Committee regrets that the performance report was

not available when it examined the estimates. In this connection, the Advisory Committee requested and was provided with the latest information on expenditures (see the annex to the present report); it should be noted however that it is in the form of raw data.

8. The Advisory Committee wishes to point out that the estimates for ONUSAL are not based on an updated plan of operations. This shortcoming hampers a proper analysis of the budgetary requirements of the Mission.

9. Given the uncertainties and lack of up-to-date necessary information referred to above, the Advisory Committee would ordinarily recommend deferral of the Secretary-General's request pending clarification of the outstanding issues. However, in view of the fact that the commitment authority expires on 30 September 1994, the Advisory Committee, in the paragraphs below, makes a number of recommendations aimed at providing the Secretary-General with the necessary resources and authority while retaining the prerogatives of the General Assembly to reach an eventual decision once the situation has become clear and on the basis of the latest financial data.

10. The Secretary-General estimates the cost of the operation of ONUSAL for the period 1 June to 30 November 1994 at $12,370,600 gross ($11,132,200 net). Annexes I and II to his report provide a summary statement and supplementary information in respect of this estimate.

11. As indicated in paragraph 14 of the Secretary-General's report, the Advisory Committee, in a letter to the Secretary-General dated 28 June 1994, concurred in the entering into commitments not to exceed $3,895,900 gross pursuant to resolution 48/243, as well as $4,876,500 gross pursuant to the terms of paragraph 1 of resolution 48/229 on unforeseen and extraordinary expenses, for a total commitment authority in an amount not to exceed $8,772,400 gross for the period from 1 June to 30 September 1994. Thus, the commitment authority comes to an end before the current mandate expires on 30 November 1994.

12. In section 1 of annex I and section II.1 of annex II to the Secretary-General's report, provision is made for military observers. In the opinion of the Advisory Committee, operational requirements for these military observers should have been properly justified in the cost estimates. Upon inquiry, the Committee was informed that after the destruction of weapons and munitions collected from the combating groups, it was reported that several caches of weapons still existed. The military observers' mandate is to investigate these reports and to destroy any weapons and munitions found. They also ensure that a link exists with the Salvadorian military on matters related to the implementation of the peace accords. The Committee trusts that relevant information in this regard will be available in any future report the Secretary-General may submit on ONUSAL.

13. Section II.2 of annex II to the report deals with civilian personnel costs. The Advisory Committee notes that with regard to both civilian police and international and local staff, the estimates have been prepared to take into account slightly decreasing numbers of police and staff for each month of the period through November 1994. However, the Advisory Committee wishes to point out that the civilian staff costs have not been calculated or justified in terms

of the operational requirements of the Mission. In this regard, the Committee raised a number of questions with regard to the staffing of the Electoral Division, the Military Division, the Political Affairs Office and the seemingly high level of personnel in the regional offices. The Committee was informed that a P-4 Electoral Officer post in the Electoral Division was discontinued as of 9 June 1994. Any future report by the Secretary-General on ONUSAL should provide a clear analysis and justification for police and civilian personnel in terms of the actual requirements of the operation.

14. As indicated in section II.2 (b) (v) under civilian personnel costs, an amount of $1,430,900 is estimated for common staff costs. The Advisory Committee was informed that the common staff costs include provisions for staff allowances, social security payments, education grants and travel, home-leave travel, expenses in connection with staff appointment, separation or transfer, as well as other payments (life insurance coverage on special missions, special claims, family evacuation travel and others). The Advisory Committee understands that these costs have been applied at full New York standard rates. The Advisory Committee points out that given the nature of ONUSAL, expenditure under many of the standard elements used in the calculation of common staff costs may not arise at all or may not be necessary to the full extent estimated. Under the circumstances, the Advisory Committee recommends that the estimate for common staff costs be reduced by 20 per cent or $280,000.

15. Estimates for premises/accommodation are provided in section II.3 of annex II to the Secretary-General's report. The Advisory Committee notes that as of 1 October the rental charge for ONUSAL headquarters premises is expected to double. The Committee was informed that the Chief of Mission has raised repeatedly with the host Government authorities the issue of its obligation to pay the rent in respect of ONUSAL's premises. ONUSAL has put forward the position that in the light of the situation that existed in El Salvador when ONUSAL began its operations, the Mission merely advanced the payment of rent to the private companies concerned. However, according to the representatives of the Secretary-General, this did not exempt the Government from meeting its obligation under the status-of-mission agreement to provide premises free of charge to ONUSAL. ONUSAL has recommended to the Government that it make the necessary budgetary provision for reimbursement during the course of 1995. The Advisory Committee understands that the United Nations is still awaiting a response from the Government.

16. The Advisory Committee notes from section II.3 (b) of annex II to the report that an amount of $18,000 is proposed for alteration of premises. In this connection the Committee requests that, since the Mission may be winding down, the alterations at this stage should be kept to the minimum necessary to allow continued use.

17. Similarly, in view of the uncertainties with regard to the future of ONUSAL, the Advisory Committee requests that expenditures with regard to transportation operations (section II.5 of annex II) be administered with regard to achieving economies, especially in the large number of vehicles which the Committee has been informed are kept available to provide replacement during maintenance/repairs.

18. Cost estimates for air operations are provided in section II.6 of annex II to the report. The Advisory Committee has received additional information in this regard and notes that ONUSAL will use the helicopter on an average of 24 hours per month from 1 September to the end of November. The Advisory Committee is not fully convinced of the need to hire a helicopter on a permanent basis and recommends that this expenditure be reviewed according to the actual requirements of the Mission.

19. Public information programmes are covered in section II.12 of annex II of the report. The Advisory Committee questioned the provision of $146,000 for public information activities. As a consequence, representatives of the Secretary-General informed the Committee that the estimate for DPI production costs has been modified, leading to a reduction in requirements from $146,000 to $56,000. The Committee was also informed, upon inquiry, that seminars scheduled for June, July and August 1994 have been rescheduled to take place between the present and the end of the current mandate. Given that a number of workshops and seminars are already scheduled for October and November, the Committee doubts whether it will be possible to carry out the full programme as envisaged. Under the circumstances, the Advisory Committee recommends a further reduction by $26,000 to an estimate of $30,000. The total reduction under DPI programmes would therefore be $116,000.

20. As shown in section II.18 of annex II to the Secretary-General's report, an amount of $427,500 has been estimated as the charge for the funding of the support account for peace-keeping operations. In view of the nature of ONUSAL and possible reductions in civilian costs, the Advisory Committee believes that the contribution to the support account should be reduced; the Advisory Committee intends to make a specific recommendation in this regard when it considers the next report on the financing of ONUSAL which will include the necessary information on performance; pending receipt of that report, the support account should not be credited in respect of ONUSAL for this mandate period.

21. Bearing in mind the status of expenditures as shown in the annex to the present report, the Advisory Committee recommends that, at this stage, the General Assembly appropriate and assess the amount of $6,330,941 gross for the Mission for the period from 1 June to 31 August 1994.

22. In view of the uncertainties with regard to the future of the Mission, the Advisory Committee believes that estimates for the months of September, October and November and such appropriations as may be necessary in that respect should be considered again at the same time as estimates for the liquidation of the Mission are considered, i.e., after such decision as the Security Council may take on a possible extension of ONUSAL and on the basis of a further report by the Secretary-General. That report should include full performance data. Pending such reconsideration of estimates for ONUSAL, the Advisory Committee, taking into account the reductions it has recommended in paragraphs 14, 19 and 20 above, which total $823,500, recommends that the Secretary-General be authorized to enter into additional commitments not exceeding $2,774,700 gross for the period from 1 October to 30 November 1994. Taking into account the balance of $2,441,500 of the current commitment authority remaining after the appropriation of $6,330,941 gross recommended in paragraph 21 above, the total

commitment authority available for the period from September to 30 November 1994 would thus be $5,216,200. In exercising this authority, the observations made by the Advisory Committee in the paragraphs above should be borne in mind, especially if it appears that the Mission will in fact be winding down or will not be extended significantly or will only be extended with a further reduced strength and/or mandate. The Secretary-General's eventual request for appropriations in respect of the commitment authority he has exercised should be considered in the light of developments, taking into account possible areas for economy, including those referred to by the Advisory Committee in the paragraphs above.

Recapitulation	United States dollars (gross)
Request of the Secretary-General for 1 June-30 November 1994	12 370 600
Appropriation recommended by the Advisory Committee for 1 June-31 August 1994 in respect of actual expenditure - see annex	6 330 900*
Existing commitment authority remaining for September ($8,772,400 previously authorized (see para. 11 above) less amount for 1 June-31 August 1994 recommended for appropriation)	2 441 500
Reductions recommended by the Advisory Committee (see para. 22 above)	823 500
Additional commitment authority recommended by the Advisory Committee for October and November (see para. 22 above)	2 774 700

* Rounded.

ANNEX

United Nations Observer Mission in El Salvador

Status of expenditures for the period 1 June-31 August 1994

(United States dollars)

	PRO RATA ALLOCATION FOR 3 MONTHS $	EXPENDITURES $	UNLIQUIDATED OBLIGATIONS $	UNRECORDED a/ COMMITMENTS $	TOTAL $	DIFFERENCE $
MILITARY OBSERVERS	97,500	124,569	25,765		150,334	(52,834)
CIVILIAN POLICE	1,587,525	1,270,244	41,236		1,311,480	276,045
CIVILIAN PERSONNEL	3,068,925	3,121,343	38,161		3,159,504	(90,579)
PREMISES	239,400	198,160	182,283		380,443	(141,043)
TRANSPORT	273,750	71,223	163,333	40,000	274,556	(806)
AIR OPERATIONS	199,500	6,794	13,988		20,782	178,718
COMMUNICATIONS	20,250	4,559	4,080		8,639	11,611
OTHER EQUIPMENT	21,225	9,145	2,813		11,958	9,267
SUPPLIES & SERVICES	158,850	116,067	32,249		148,316	10,534
PUBLIC INFORMATION	0	10,084	5,506		15,590	(15,590)
FREIGHT	0	100			100	(100)
SUPPORT ACCOUNT	222,750	213,750	0		213,750	9,000
TOTAL	5,889,675	5,146,038	509,414	40,000	5,695,452	194,223
STAFF ASSESSMENTS	689,625	635,489	0	0	635,489	54,136
TOTAL GROSS	6,579,300	5,781,527	509,414	40,000	6,330,941	248,359

a/ Commitments made but not yet formally recorded.